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FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1174  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4239  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4501  
RUEHKA/AMEMBASSY DHAKA PRIORITY 9597  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2493  
RUEHLO/AMEMBASSY LONDON PRIORITY 3890  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9605  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L KATHMANDU 001012

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E.O. 12958: DECL: 04/19/2016  
TAGS: [ECON](#) [EFIN](#) [PGOV](#) [NP](#)  
SUBJECT: NO SUPPORT FOR TAX BOYCOTT

REF: KATHMANDU 993

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

BUSINESS LEADERS NOT SUPPORTIVE OF PARTIES' TAX BOYCOTT

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11. (C) Business leaders told Emboff they do not support the seven-party alliance's recent call to boycott the paying of taxes and customs duties (ref A). Prakash Shrestha, President of the Hotel Association of Nepal (HAN), said that because democracy should bring peace and stability, both good for business, HAN had voiced support for the pro-democracy movement. However, he said the Parties' call to boycott the paying of taxes was a "suicidal demand" that would set a dangerous precedent. Shrestha explained that obeying the Parties' call to boycott taxes would set a new standard for future civil protests and only result in hurting the Nepali people. He said the fight for democracy was the political parties', not HAN's. President of the Nepal Trekking Agents Association (NTAA) Narendra B.C. commented that the NTAA did not support the tax boycott. He pointed out that it was his duty as a citizen of Nepal to pay taxes in order for the government system to function.

CUSTOMS OFFICIALS NOT CONCERNED ABOUT LACK OF REVENUE  
COLLECTION DURING STRIKE

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12. (C) Sudeep Chandra Shah, Chief Customs Officer at the Internal Cargo Depot (ICD) in the Nepali bordertown of Birjunj, told Emboff that seven trainloads of goods have arrived since the beginning of the Parties' general-strike. He explained that, due to the general strike, importers had yet to request their goods to be cleared through Nepali customs and thus no tariff revenue had been collected. Ravi Raj Pant, Director of the Tariff Division of the Department of Customs, told Emboff he was "not worried" about the momentary lack of revenue collection caused by the general strike. He stated that cargo was piling up in the warehouses in Birgunj and that customs tariffs would eventually be collected.

COMMENT

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¶3. (C) The business community's attitude supporting the pro-democracy movement while continuing to pay taxes indicates that businessmen are not yet willing to seriously confront the government in order to promote democracy.  
MORIARTY